

ECONOMIC INTELLIGENCE COMMITTEE

23 February 1966

MEMORANDUM FOR: Chairman, USIB Ad Hoc Working Group
on Soviet Military Expenditures for
NIPP-66

SUBJECT: Air Force Proposal for Tasking EIC Subcom-
mittee with Monitoring the Uses of Economic
Intelligence in Military Planning

REFERENCE: Letter from Major General Jack E. Thomas, USAF,
Assistant Chief of Staff, Intelligence, to Chairman,
EIC, dated 10 January 1966

1. As you are aware, the Air Force has recommended that the Economic Intelligence Committee consider tasking a subcommittee with monitoring the uses of economic intelligence in planning, especially military planning. The objective would be to insure that reporting of reliability and validity considerations to users is adequate, that format and methodologies meet consumer needs and that research is encouraged.

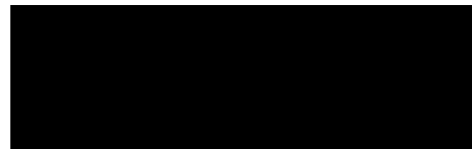
2. The proposed terms of reference suggest that a subcommittee of the EIC be charged with monitoring the methods and techniques used in the application to (military) planning of foreign economic intelligence, especially costing, to see if more suitable types and modes of presentation of such intelligence would facilitate planning processes, and to examine the adequacy of qualifications accompanying the production and dissemination of finished foreign economic intelligence and estimates, to include NIEs, to insure that users are adequately informed about reliability, validity, methodologies and data gaps. (See attachment, items a. and b.)

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3. In order to draw up a proposed EIC course of action to deal with this proposal, it is requested that you, as Chairman of the USIB Ad Hoc Working Group on Soviet Military Expenditures for NIPP-66, refer this matter to the working group for consideration and comment and submit a report at the earliest possible date.

4. Upon receipt of your report, I propose to discuss the problem with Mr. Kent with a view to determining whether this matter could appropriately be accomplished through the working group and the ONE structure or through a subcommittee of the EIC.



Chairman

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Attachment
as stated

Proposed Terms of Reference: Uses of Economic
Intelligence in (Military) Planning

a. Monitor the methods and techniques used in the application to (military) planning of foreign economic intelligence, especially costing, to see if more suitable types and modes of presentation of such intelligence would facilitate planning processes.

b. Examine the adequacy of qualifications accompanying the production and dissemination of finished foreign economic intelligence and estimates, to include NIEs, to insure that users are adequately informed about reliability, validity, methodologies and data gaps.

c. Recommend internal and external research to USIB organizations, to improve the application of foreign economic intelligence to (military) planning processes, to include use in comparative cost-effectiveness analysis.

d. Review all contracts of USIB agencies above \$5000 for research on methodologies for applying economic intelligence to user problems.